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PPB 71-1507

Copy 8 of 8

4 OCT 1971

Admiral George W. Anderson, USN Ret.
Chairman, President's Foreign
Intelligence Advisory Board
Washington, D. C.

Dear George:

This letter transmits the Annual Report of the Central Intelligence Agency to the President's Foreign Intelligence Advisory Board.

This year we have chosen to include a new section, Factors Affecting CIA's Mission and Strategy. Its purpose is to record for you some of our thoughts about what the future will require of the Agency. Our discussion of problems and deficiencies has been woven in here, and we have also tried to indicate a realistic appreciation of some non-substantive variables (such as resource pressures within the Government) which may affect our ability to perform. The Appendices (A-G) to the Report present an illustrative summary of the last year's activities, in much the same format as the 1970 Report.

You recall that at this time last year the [] satellite had only begun to do its work. Since then it has more than met our expectations; indeed, if the Community has any problem at all with the system it is in handling the heavy volume of consistently high quality data which it returns. In June this year the [] photo satellite was launched. It has already met our highest hopes and will provide the kind of search capability essential to monitor weapons development and deployment world wide. I believe that with [] (and in light of the President's decision to have CIA proceed with the development of the [] satellite) the Community is properly postured to acquire much of the data needed to satisfy the military and technical intelligence requirements of the 1970s. The problems associated with processing and analyzing the

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volume of data which we collect are not yet solved, however, and will undoubtedly require greater interagency cooperation in the years ahead.

There are, of course, a number of substantive requirements which cannot be satisfied by intelligence technology. Among them are information about the earliest phases of new military research and development and the political and economic intentions of the Soviets, the Chinese, and some more friendly countries. We rely on our analysts and human sources to extrapolate such information. Thus, during the past year the Agency's resources were heavily committed in support of the SALT delegation, and our efforts to stay ahead of the Near East crisis and developments in Indochina continued to have high priority. Requests from an important new intelligence consumer, the Council on International Economic Policy, received special attention as economic affairs became more uncertain, and worldwide response to the President's opening to China also caused some adjustment in our analytical and human collection activities.

Not all of the factors which affect our ability to perform relate to international affairs or to our own competence as an intelligence agency. A number of domestic factors, which also impact on our work, have come more strongly into play over the past year. High-level executive and congressional concern about broad economic matters and about the proper allocation of resources between domestic and foreign programs has been manifested not only in the BALPA and OPRED cuts of the recent past, but also in the new five percent government-wide reductions (from which the Agency is seeking relief).

There is also increased restiveness on Capitol Hill about CIA's involvement in Laos. I expect we will have some difficulty on this point in next year's budget sessions. The FY 1972 hearings have set the stage, but at the moment -- except for the termination of CIA's direct budget support to Radio Free Europe and Radio Liberty -- it appears that Congress will provide the funds and people we have requested, including those for war-related programs.

TOP SECRET

The problems and challenges to which I have alluded above are addressed in the 1971 Report as are other aspects of our operations throughout the past year. Of course, we will be pleased to elaborate on any part of the Report should you or other members of the Board so desire.

Sincerely,

/s/ Dick

Richard Helms
Director

Attachment:

**Annual Report to the President's
Foreign Intelligence Advisory Board**

O/PPB/P&R/[]:lr (1 Oct 71)

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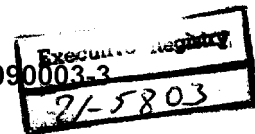
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18 November 1971

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Net Assessment Contribution from PFIAB

1. We have been in touch with Jimmy Lay, as you requested, for his contribution on the net assessment background. We had assumed we would get as a result an informal input from Jimmy, but this morning Jerry Burke called Tom Parrott, who told the latter that he would be sending a paper in to you direct. While Tom mildly made the point this was not necessary, Burke is apparently going to do it this way.

2. So when you receive the communication from Burke, this is the background.

(Signed) Bronson Tweedy

Bronson Tweedy
D/DCI/NIPE

NIPE:BT:dm

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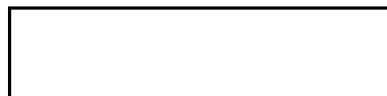
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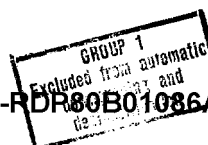
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71-5192/A
(PFIAB)

20 October 1971

Admiral George W. Anderson, Jr., USN (Ret.)
President's Foreign Intelligence Advisory Board
The White House
Washington, D. C.

Dear George:

I read Ira Eaker's column of 17 October with considerable interest. I do have trouble, however, with the statement, "Undoubtedly it was inspired covertly and largely financed secretly by the principal beneficiary, the USSR." As far as I am aware, there is, as you state, no "solid evidence" to support this contention. Further, it credits Soviet intelligence with capabilities in this country which we do not believe it has.

It is undeniable that the Soviets are doing everything they can to undermine the Western World. I agree thoroughly with Ira Eaker that it is high time the number of Russian representatives in free world countries be limited to the number of officials from the West accredited to Moscow. Laziness on this front is something about which one can take practical steps. Dealing with the miasma created by "pacifists", the "left wing news media", and the "pseudo-scientists" is obviously something else again.

Sincerely,

Richard Helms
Director

RHelms/ecd - 20/10/71

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THE WHITE HOUSE

WASHINGTON

PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

12 October 1971


Dear Dick:

I enclose a copy of General Ira Eaker's syndicated column of 17 October. As you know, since the retirement of Hanson Baldwin from the New York Times, General Eaker is one of the best informed military correspondents. His weekly reports, which appear in a large number of newspapers throughout the country, are generally based on good, solid information, logical analysis, and a presentation characterized by clarity, conciseness and conviction. He is greatly appreciated by all of the military services and is very fair and objective in support of U.S. security efforts.

You will note that in this particular article, Ira raises certain questions pertaining to direct or indirect financing of propaganda efforts on the part of the Soviet Union through espionage and subversion. His presentation is very logical and certainly something that many of us have suspected in the area mentioned as well as others for a long time. Unfortunately, I am not aware of any solid evidence that would support Ira's conclusions. I wonder if you would be kind enough to make a check within the intelligence community to determine if there is any basis to support Ira's assertions.

With warm regards always.

Very sincerely,


George W. Anderson, Jr.
Admiral, USN (Ret.)

Mr. Richard Helms
Director of Central Intelligence
Washington, D. C.

Encl.

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WHY BRITAIN EXPELS RED SPIES

by
Ira C. Eaker

Spy stories always make the headlines. When Britain, in early October, abruptly announced the expulsion of 105 Russian spies it made the front pages everywhere save in Moscow.

Credited to Britain are 550 Soviet representatives while only 80 British subjects represent their government in Moscow. Why the disparity?

In Russia's closed society, foreign representatives are much less productive. In Britain's open society many Red agents can be very productive.

Lately there has been a tremendous increase in Soviet representation in most of the Free World Capitals. Since Russia is already the World's leading military power, why this increase in spy effort? The time has long since passed when she needs to steal military secrets such as the atom bomb. In all major weapons categories--missiles, submarines, bombers, fighters, ABM's and space satellites--the Russians are equal to or superior to the Free World in quality and they have more of them.

When a Russian defector revealed the nature and extent of current Russian espionage, it turned out that much of this effort was economic and industrial rather than military.

Apparently what triggered the dramatic British reaction was the defector's revelation that Russia planned to sabotage the

British-French supersonic transport, the Concorde, the only Free
World SST ~~Approved For Release 2004/02/12 : CIA-RDP80B01086A000800090003-3~~ ~~Approved For Release 2004/02/12 : CIA-RDP80B01086A000800090003-3~~.

It is now clear that the current major Russian spy effort is in support of her economic and industrial supremacy since she has already achieved military superiority.

So much of Soviet scientific and technological effort has been devoted in the past to military and space weapons research and development that it was necessary to steal some of the essentials for world domination in civilian economy sectors, such as computers and production techniques. They could build a better bomber and the World's first space station but they could not produce more and better consumer products for their civilian economy and to compete with the West in world trade.

The Red plan to sabotage the Concorde has deep significance for us. There were three competitors for future leadership in civil aviation, represented by the SST programs, ours, the British-French Concorde and Russia's TU-144. Ours was killed by propaganda. If the Concorde could be sabotaged, all the world's airlines would have no recourse but to buy the Russian SST. This represented a market of \$50-\$100 billion in the next ten years, a worthwhile prize for a major spy effort.

Those who have been puzzled about the source of the vast sums required for the tremendous propaganda effort in this country which killed our SST need look no further. Undoubtedly it was inspired covertly and largely financed secretly by the principal beneficiary, the USSR.

It is also significant that many of the pseudo-scientists and much of the pacifist and left wing news media, whose effort cancelled our SST, have lately led the attack on our new weapons systems like the ABM, the Navy's F-14 interceptor and the Air Force F-15 fighter.

Russia is endeavoring to disarm the U.S. by propaganda and to gain economic supremacy through espionage. This is a very unequal contest. What chance would we have to buy space in Pravda or radio and television time in the USSR to get the TU-144 or any Soviet weapon cancelled?

While we ponder this new Red effort to do us in, there are obvious actions which should be taken at once. The number of Russian representatives in all Free World countries should be limited to the number of our officials accredited to Moscow. This automatically will reduce the number of Red spies in the West by 80%.

Next, when any propaganda campaign is launched in this country inimical to our national interest and highly favorable to the USSR, the FBI should discover and reveal the source of its inspiration and funding.

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ANNUAL REPORT

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to the

President's Foreign Intelligence Advisory Board

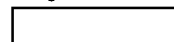
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